



TREC Advisor

Texas Real Estate Commission ★ Volume 12, Number 4 ★ December 2001

NEW CONTRACT FORMS EFFECTIVE FEBRUARY 1, 2002

PROBULATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 10-29-01
ONE TO FOUR FAMILY RESIDENTIAL CONTRACT (RESALE)
 NOTICE: Not For Use For Condominium Transactions

1. PARTIES: (Seller) agrees to sell and convey to (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. PROPERTY:
 A. LAND: Lot _____, Block _____, Addition _____, City of _____, County, Texas, known as _____ (address/zip code), or as described on attached exhibit.
 B. IMPROVEMENTS: The house, garage and all other fixtures and improvements attached to the above-described real property, including without limitation, the following permanently installed and built in items, if any: all equipment and appliances, vanities, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas and satellite dish system and equipment, heating and air-conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, water softener system, kitchen equipment, garage door openers, cleaning equipment, shutters, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described real property.
 C. ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, controls for satellite dish system, controls for garage door openers, entry gate controls, mailbox keys, above ground pool, swimming pool equipment and maintenance accessories, and artificial fireplace logs.
 D. EXCLUSIONS: The following improvements and accessories will be retained by Seller and excluded: _____
 The land, improvements and accessories are collectively referred to as the "Property".

3. SALES PRICE:
 A. Cash portion of Sales Price payable by Buyer at closing: \$ _____
 B. Sum of all financing described below (including any VA funding fee, or FHA or private mortgage insurance premium): \$ _____
 C. Sales Price (Sum of A and B): \$ _____

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows: (Check applicable boxes below)
☐ A. THIRD PARTY FINANCING: One or more third party mortgage loans in the total amount of \$ _____. If the Property does not satisfy the lender's underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer. (Check one box only)
☐ (1) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.
☐ (2) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.
☐ B. ASSUMPTION: The assumption of the unpaid principal balance of one or more promissory notes described in the attached TREC Loan Assumption Addendum.
☐ C. SELLER FINANCING: A promissory note from Buyer to Seller of \$ _____ bearing _____ % interest per annum, secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgage policy of title insurance.

5. EARNST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$ _____ as earnest money with _____ (address), as escrow agent, at _____ (address). Buyer shall deposit additional earnest money of \$ _____ with escrow agent on or before _____, 20____. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default. If Seller fails to deposit the earnest money as required by this contract, Seller will be in default.

Initiated for identification by Buyer: _____ and Seller: _____ **DIA TREC NO. 20-5**

TREC has adopted 10 new or revised forms developed by the Texas Real Estate Broker-Lawyer Committee. The forms are adopted by reference as rules in Chapter 537 of the Texas Administrative Code. Beginning February 1, 2002, the forms must be used by real estate licensees in transactions for which they are designed, unless the parties or their attorneys prepare the contract for use in a specific transaction. The forms may be obtained at no charge from the TREC web site.

Prior to taking final action on the proposals, TREC used its web site to display discussion drafts and invite comments as the forms were being finalized. The Broker-Lawyer Committee ultimately considered more than 230 written comments from interested persons.

The following is a summary of changes for each form. All changes are not listed, however, and licensees should review the new forms carefully prior to using them.

TREC NO. 10-4 (Addendum for Sale of Other Property) A reference to paragraph 4, concerning the date for obtaining financing, was eliminated because loan details for the new contract forms will be specified in a financing condition addendum (see discussion of new TREC No. 40-0, below), instead of in the contract.

TREC NO. 11-4 (Addendum for "Back-Up" Contract) Minor changes also were made to this form. A paragraph number referring to the option clause was eliminated. Language also was added to clarify that the second contract is the "back-up" contract.

TREC NO. 20-5 [One-to-Four Family Residential Contract (Resale)] This form replaces the one-to-four family resale contract forms, combining former TREC No. 20-4 and TREC No. 21-4. The property being sold is now described as land, improvements and accessories. Mailbox keys and above ground pools have been added to the list of accessories included in the sale. A buyer who has been prequalified for a loan may make the contract subject only to the property satisfying the lender's requirements. A buyer who requires a loan contingency would mark the appropriate box in Paragraph 4 of the contract and attach the new Third Party Financing Condition Addendum.

ing Condition Addendum.

A third survey choice is provided, under which the seller provides the buyer with the seller's existing survey in lieu of either the buyer or the seller obtaining a new survey. The buyer may have the "survey exception" to the title policy deleted at the buyer's expense. If a new survey is to be provided, the parties would specify in the contract when the buyer must be furnished or obtain a new survey and when the buyer must make title objections.

Financing conditions, seller financing details and loan assumption provisions have been moved to separate addenda. A provision for payment for a residential service contract has been added. The provision for an automatic extension of closing for up to 15 days for satisfaction of the lender's closing requirements has been deleted. To avoid problems that may arise when a specific date is inserted for possession, a choice has been provided; the parties may mark a box to show that possession will be given on closing and funding of the sale or a box to deliver possession as specified in the TREC temporary lease form or in a different lease required by the parties.

Closing cost provisions have been combined in a single paragraph for conventional and FHA/VA transactions. If the seller is paying any amount of the buyer's expenses, the contract now specifies how the payment is to be allocated, and a blank has been provided to specify the maximum amount the seller is paying. The maximum amount for the buyer's private mortgage insurance premium, VA loan funding fee or FHA mortgage insurance premium will now be shown as a specific dollar amount.

The contract now permits the parties to agree to mediate without using an addendum. Language was also added to clarify that a party who agrees to mediate disputes is not precluded from seeking equitable relief from a court, such as an injunction to prevent a seller from closing a sale to another buyer. Because licensees are not included in this agreement for mediation, they may need to address mediation in other agreements, such as a listing contract or buyer representation agreement. A list of TREC addenda has been supplied with check boxes to indicate which addenda are attached to the contract.

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THE MISSION of the Texas Real Estate Commission

is to assist and protect consumers of real estate services, and foster economic growth in Texas. Through its programs of education, licensing and industry regulation, the Commission ensures the availability of capable and honest real estate service providers.

**TEXAS REAL ESTATE
COMMISSION****Meeting Highlights****September 10, 2001**

At its meeting in Austin, the Commission received staff reports on activities during Fiscal Year 2001 which concluded on August 31, 2001. The number of applicants for new licenses had increased from the previous year and TREC has the highest number of total licensees since 1997. The total number of complaints filed with the Commission was down slightly from the past year. More individuals continue to take advantage of the information available on the TREC web site, including an increase in the number of licensees who choose to renew online.

Commissioner Larry Jokl, *ex officio* member of the Real Estate Center Advisory Board, reported on the recent Board meeting which included discussion of the Center budget and a research project being conducted for Mexico. The latest video produced in conjunction with the Real Estate Center, *A Visit to the Texas Real Estate Commission*, was shown to all in attendance.

The Commission adopted the following amendments to 22 TAC to incorporate changes brought about by HB695: (a) § 535.51, concerning general requirements for a real estate license; (b) § 535.91 and § 535.92, concerning license renewals; (c) § 535.101, concerning fees; (d) § 535.208, concerning application for an inspector license; (e) § 535.210, concerning fees; (f) § 535.216, concerning renewal of license; (g) § 535.403, concerning renewal of registration; (h) § 535.62, concerning acceptable courses of study; and (i) § 535.71 and § 535.72, concerning mandatory continuing education.

The Commission then took

action to propose amendments to 22 TAC §§ 537.11, 537.21, 537.28, 537.33, 537.37, 537.41, 535.45, and 537.46 and to propose new sections 537.47 and 537.48 as well as repeal of § 537.29 and 537.28, concerning standard contract forms. Avis Wukasch and Don Harvey, members of the Broker-Lawyer Committee, discussed the reasons for the Committee's recommendation of these revisions to the contract forms.

Also proposed at the meeting were amendments to § 535.208 and § 535.400, concerning online license and registration applications; § 535.72, concerning reporting of MCE course completion; and § 535.215, concerning inactive inspector status. The Commission also discussed and approved a number of policy statements concerning agency procedures and Commission member responsibilities. The Administrator was appointed to represent TREC on the Steering Committee for Electronic Occupational Licensing Transactions.

In other action, approval was given for the annual review of fees and estimated revenue as well as the operating budget for FY2002. Keno Torres of Houston was reappointed to represent TREC on the Mortgage Broker Advisory Committee for a term ending February 1, 2004. After presentations concerning candidates for appointment to the Broker-Lawyer Committee, three individuals were nominated for two positions to be filled at the October 28th Commission meeting. They were Bob Baker of Plano, Norman Dieschke of San Angelo, and Rob Orr of Burleson.

A request for rehearing by Bryan Lee Anthony was overruled by a unanimous vote. Three payments from the Real Estate Recovery Fund were authorized by the Commis-

sion.

October 28, 2001

The Commission met briefly to visit with and interview the three candidates nominated for two vacant positions on the Broker-Lawyer Committee. After much discussion, the Commission selected Rob Orr of Burleson and Norman Dierschke of San Angelo for terms to end on August 31, 2007. They join Randy Jeffers of Amarillo, Don Harvey of Boerne, Ann Walker of Houston, and Avis Wukasch of Georgetown as broker members of the committee.

October 29, 2001

By a unanimous vote, the Commission adopted the various changes to promulgated contracts and addenda which had been proposed by the Broker-Lawyer Committee (see meeting of September 10th above). Also approved was an amendment to § 535.215, concerning inactive inspector status.

It was announced that a Request for Proposal for examination services was sent out on October 15th with a deadline of December 14th for the submission of a final proposal. Commissioner Kay Sutton reported that at the annual ARELLO conference in Memphis, TREC had received awards for Best Web Site and Best Newsletter; Glen Bridge, Paul Simpson and Pat Holder were recognized for their work on these projects. In addition, Nancy Guevremont and Susie De la Rosa were commended on their 25th anniversary of beginning work at TREC.

The Commission also received a report from its internal auditor, Rene Gonzalez of Garza, Gonzalez & Associates, and voted to accept the internal audit for FY2001. Two payments were authorized from the Real Estate Recovery Fund.

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Rick Perry
Governor

Commission Members:

C. Michael Brodie
Chairman
Broker member

Kay Sutton
Vice-Chair
Broker member

James N. Austin, Jr.
Secretary
Broker member

Ramon "Mick" Cantu
Public member

Maria Gil
Public member

Louise E. Hull
Broker member

Lawrence D. Jokl
Broker member

Paul H. Jordan
Public member

John S. Walton
Broker member

TREC Administrator
Wayne Thorburn

Desktop Publisher
Patricia Holder

The TRECAdvisor (ISSN 1047-4579) is published by the Texas Real Estate Commission (TREC) as an educational service to licensees in the state of Texas. The purpose of the newsletter is to promote a better understanding of the Real Estate License Act and to inform all licensees of changes affecting laws and practices in the real estate industry. The TRECAdvisor is funded through legislative appropriations and subscriptions collected from TREC licensees. The official text of TREC rules is filed with the Office of the Secretary of State, Texas Register. TREC encourages reproduction of this newsletter with the appropriate acknowledgments. Subscriptions are available for \$4.00 for two years. Single issues are \$1.00. To order a subscription or a single issue write to TRECAdvisor, Texas Real Estate Commission, P.O. Box 12188, Austin, Texas 78711-2188. For information regarding TREC, contact:

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P.O. Box 12188
Austin, Texas 78711-2188
(512) 459-6544 or (800) 250-TREC
<http://www.trec.state.tx.us>

Annual Report for Fiscal Year 2001

Fiscal year 2001 (September 1, 2000-August 31, 2001) was a year of considerable change for the Texas Real Estate Commission. A number of innovations and modifications in policy and procedures came into being during this past year as the Legislature passed a comprehensive agency housekeeping bill, the Commission completed its rule review process, and TREC expanded its web presence.

Perhaps the single most important event in 2001 was the enactment of House Bill 695 which revised The Real Estate License Act. The changes resulted from various recommendations made by licensees and the public during the agency's Strategic Planning process and were incorporated in proposals adopted by the Commission in 2000 as suggested legislative modifications. Among the changes: more core real estate courses for salesperson and broker candidates, increased continuing education for inspectors, the ability of the Commission to modify core and continuing education course content. Consumers were given enhanced coverage from the recovery funds, TREC's jurisdiction was expanded to any person who violates the license act, and salesperson candidates need not have a sponsoring broker to receive an inactive license.

The four year rule review process, which required the Commission to amend or re-adopt all existing agency rules, came to a close in 2001. The process eliminated a number of duplicative provisions, clarified language and procedures in a number of

areas, and enacted new rules to cover online transactions and meet the challenges of changes in the practice of real estate.

TREC's staff undertook a total redesign of the Commission's web site resulting in a more modern, user-friendly appearance and enabling licensees and the public to locate even more information on the Internet. Now both salespersons and brokers can renew licenses online. The new licensee lookup includes all the educational courses taken by a licensee. A search function for all approved real estate instructors has been added along with detailed information on core and continuing education providers and courses. More and more licensees look to the web site for news, information and printable promulgated contract forms - providing quicker access, less staff involvement, fewer telephone calls, and savings on postage.

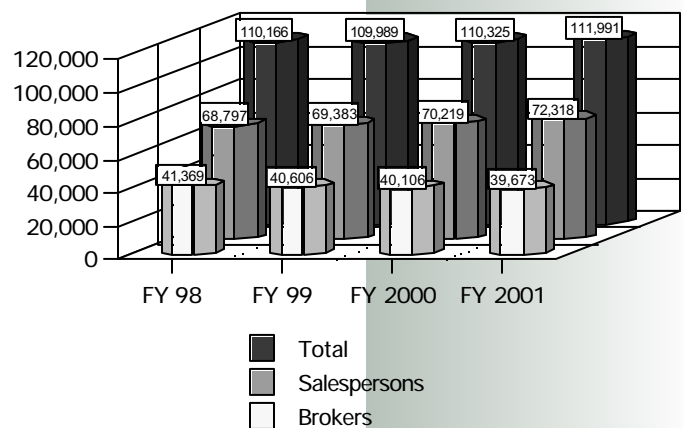
The Commission also took final steps to put in place a new education evaluation process and license application (to be online by January 2002) and a permanent mailing address for all licensees (effective November 2001).

New Appointments to Leadership Positions

Governor Rick Perry appointed three new members (Louise Hull of Victoria, John Walton of Lubbock, and Paul Jordan of Georgetown) to six-year terms on the Commission in April. The Commission itself selected three new members of the Texas Real Estate

Inspector Committee: T. J. Rowles of Brownsville, Shauna Morgenroth-Hardin of The Woodlands, and John Cahill of Plano.

Number of Real Estate Licensees



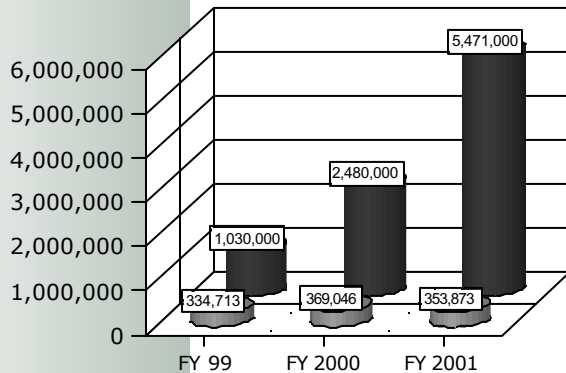
Number of Licensees Continues to Increase

Fiscal Year 2001 ended with the highest number of real estate licensees in the past five years. While the number of licensed brokers continued to decline slightly, the year saw a sizeable increase in the number of salespersons - providing a total of nearly 112,000 real estate licensees.

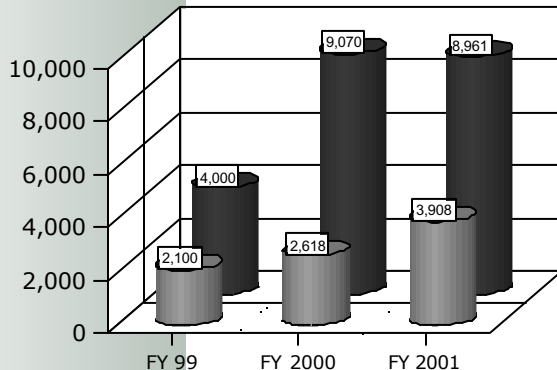
This total was the result of both a larger number of new licensees (as 14,341 individuals entered the profession) and a higher rate of license renewals. In FY01, 85% of all real estate brokers and salespersons renewed their licenses, contrasted with a renewal rate of 81% in the previous year.

An increasing percentage of

(Continued on page 4)



■ Web pages viewed
■ Telephone calls received



■ TREC-Fax Documents Accessed
■ TREC-L Subscribers

(Continued from page 3)

licensees are using the Internet to renew, exceeding 12% of all who renewed in the last three months of the fiscal year. Continuing interest in real estate can be seen in 11,684 individuals taking the real estate and inspector examinations - an increase of 25.2% over the number taking these exams four years ago.

The total of licensed inspectors hit an all-time high of 2,196 while 952 easement or right-of-way agents were registered with TREC at year end. In addition, TREC had approved 2,092 instructors of real estate, 34 core real estate schools, and 117 continuing education providers. Fifteen residential service companies were authorized to offer home

warranties in Texas while 198 timeshare projects were registered for sale to Texas residents.

Spreading the Word

The Texas Real Estate Commission continued to expand the ways in which it informs licensees and the public about changes in real estate policy and procedures. Traditional methods were helpful as news releases went to real estate publications, more than 100,000 individuals and institutions subscribed to the **TRECA** *advisor*, and over 350,000 telephone calls were answered by TREC staff. New methods of communication became even more important as nearly 4,000 individuals subscribed to the TREC-L email notification network, almost 9,000 documents were accessed through the automated TREC-Fax system, and well over five million pages were viewed at TREC's web site. The Commission is finding that more individuals use the Internet for web site access and e-mail communications.

During the past year the Commission, in cooperation with the Real Estate Center at Texas A&M University, completed the third in a series of short videotape productions. *A Visit to the Texas Real Estate Commission* uses the incident of a salesperson who fails to renew her license as a means of explaining the work of the agency. Along with *How to Use the Option Clause* and *The Duties of Representation*, these videos are designed for use in real estate courses, as a program for association meetings, or for consumer viewing. They are available for purchase from the Real Estate Center at a cost of ten dollars each.

As a means of obtaining recommendations and advice from its licensees and the public, the Commission dis-

tributes a Customer Service Survey. This survey is mailed with all license renewals and other postal communications, is distributed in person at the TREC office, and is available on the agency's web site. Nearly 6,000 individuals completed the Customer Service Survey in FY2001, providing valuable insights into ways in which TREC could become more effective in fulfilling its mission.

Enforcement Activity

Slightly more than three thousand complaint matters were handled by the Enforcement Division in FY01. Nearly one-half of these matters were closed with no action taken. Among the most common reasons for closing a case with no action are lack of information provided, no violation of The Real Estate License Act, insufficient evidence, withdrawal of the complaint, or settlement of the dispute by the relevant parties.

The second largest category consisted of matters relating to applications or renewals that were referred to Enforcement by TREC's Licensing Division. This occurs when an individual either fails to answer or responds positively to questions regarding criminal convictions or engages in brokerage activity without a license. Of these referrals, 1,099 were cleared for licensure (86.4%), 65 were granted probated licenses or received an advisory letter (5.1%), and 108 applications were either disapproved or terminated (8.5%).

An advisory letter is issued by TREC when a licensee appears to have engaged in a questionable activity but no clear violation of The Real Estate License Act can be proven. This was the final action taken on a complaint in roughly two hundred instances.

Enforcement Cases FY 2001

Closed-No Action Taken	1,482	47.5%
Application or Renewal Matters	1,272	40.7%
Advisory Letter Issued to Licensee	199	6.4%
Disciplinary Action Ordered	47	4.7%
Cease and Desist Letter	24	0.7%
Total	3122	

When a licensee is found to have violated TRELA or Commission Rules, the agency can impose sanctions up to and including license revocation. Last year there were 71 reprimands, 17 probated suspensions, 12 suspensions, 45 revocations, and 10 licenses surrendered in lieu of administrative action. In 74 complaint matters an administrative penalty was assessed, producing a total of \$37,150 which was deposited to the Real Estate Recovery Fund.

During FY01, TREC did not have jurisdiction over unlicensed persons who violate The Real Estate License Act. In 24 cases, TREC either sent "cease and desist" letters to unlicensed persons or made referrals to district attorneys concerning allegations of unlicensed activity. With the passage of HB695 in the 77th Legislative Session, TREC now can take action against any person who violates The Real Estate License Act.

When a decision is made by the Enforcement Division to seek disciplinary action against a licensee it must present its case before TREC's administrative law judge. If the licensee agrees to waive a right to a hearing, then an agreed order can be submitted for approval by the judge. However, should the licensee decide to oppose the Enforcement Division's proposed order, a hearing is held. While the Enforcement Division attempts to prove that a violation of statute or rules has occurred, the licensee may either defend himself or herself or be

represented by an attorney. In the past year, 99 administrative hearings were held and an additional 121 agreed orders entered.

Disciplinary Hearings and Agreed Orders FY 2001

Administrative Hearings	63
License Application Hearings	36
Agreed Orders	121
	220

In some situations, a consumer may file a civil suit against a licensee and obtain a judgment awarding damages and attorney fees. If the consumer cannot collect the court-ordered sum, he/she can seek payment from the Real Estate Recovery Fund or the Real Estate Inspection Recovery Fund. When a payment is made from either fund, disciplinary action is taken to revoke the defendant's license.

During FY2001, eleven payments totaling \$189,405 were made from the Real Estate Recovery Fund, while no payments were made from the Real Estate Inspection Recovery Fund.

Over the history of these two consumer protection funds, a total of 600 payments have been made from the Real Estate Recovery Fund totaling \$8,048,763, the average payment was \$13,415. In comparison, 27 payments totaling \$173,952 have been made from the Real Estate Inspec-

tion Recovery Fund, with the average payment being \$6,443.

In all its efforts, TREC is committed to assisting and protecting consumers of real estate services and, in so doing, fostering economic growth in Texas. Through its programs of education, licensing and industry regulation, the Texas Real Estate Commission ensures the availability of honest and capable real estate service providers. This has been the mission of the Commission for more than fifty years and continues to be its purpose in the 21st Century.

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Vice Chairman Kay Sutton receives the *Communications Award for Best Web Site* from ARELLO President Philip Lasater at the international association's annual conference in Memphis. TREC also was honored with *Best Newsletter* award for the *TREC Advisor* at the October meeting.



Disciplinary Actions

August 2001-October 2001

Calendar of Events

Commission Meetings:

February 11, 2002
 April 10, 2002
 (Fort Worth, TX)
 June 3, 2002
 July 15, 2002
 September 9, 2002

Broker-Lawyer Committee Meetings

January 10-11, 2002

Inspector Committee Meetings

January 11, 2002

Web site:

<http://www.trec.state.tx.us>

Phone

(800) 250-TREC (8732)

or

(512) 459-6544

Kain, Patrick Joseph
 (Dallas); license# 299952
 Agreed reprimand of broker license, entered August 2, 2001; Agreed administrative penalty of \$200, entered August 2, 2001; failing to pay the \$200 mandatory continuing education fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Lowe, Kay Alice
 (Del Rio); license# 245085
 Agreed reprimand of broker license, entered August 2, 2001; Agreed administrative penalty of \$500, entered August 2, 2001; failing to furnish the written statement to a party to a real estate transaction as required by §15C(d) of The Real Estate License Act, in violation of that section; acting negligently or incompetently by copying the key to the seller's property without the seller's permission and failing to adequately supervise a salesperson she sponsored in that the salesperson failed to use a promulgated contract form as required and failed to timely deposit the earnest money, in violation of §15(a)(6)(W) of The Real Estate License Act

Jennett, Lynda Halloran
 (Highland Village); license# 326992
 Agreed reprimand of broker license, entered August 8, 2001; Agreed administrative penalty of \$200, entered August 8, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

James, Bernard Franklin
 (Houston); license# 132762
 Agreed reprimand of broker license, entered August 9, 2001; Agreed administrative penalty of \$500, entered August 9, 2001; 2 counts of acting negligently or incompetently by failing to adequately supervise salespersons she sponsored in that the salespersons failed to properly create an intermediary relationship and failed to use current Texas Real Estate Commission promulgated forms, in violation of §15(a)(6)(W) of The Real Estate License Act; failing to notify the Commission of the sponsored salespersons' use of an assumed name in business, in violation of §535.154(c) of the Rules of the Texas Real Estate Commission

Beasley, Ella Mae
 (Houston); license# 261167
 Agreed reprimand of salesperson license, entered August 9, 2001; failing to disclose to a potential purchaser her knowledge of Texas Department of Transportation meetings to discuss proposals for widening a state highway adjacent to property sold to the purchaser, in violation of §15(a)(6)(A) of The Real

requirements regarding a salesperson's use of an assumed name, in violation of 22 TAC §535.154(c) of the Rules of the Texas Real Estate Commission

Sharp, Dudley Crawford, III
 (Houston); license# 275534
 Agreed reprimand of broker license, entered August 9, 2001; Agreed administrative penalty of \$200, entered August 9, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Edwards, Gary Mel
 (Austin); license# 438443
 Revocation of salesperson license, effective August 16, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Netanel, Nathan
 (Houston); license# 355964
 Agreed reprimand of salesperson license, entered August 17, 2001; Agreed administrative penalty of \$250, entered August 17, 2001; failing to specify a definite termination date in a real estate listing agreement, in violation of §15(a)(6)(G) of The Real Estate License Act; failing to furnish the written statement required by §15C(d) of the Real Estate License Act at the time of the first face-to-face meeting with a party in a real estate transaction, in violation of that section

Stark, Annette
 (Denton); license# 316171
 Agreed reprimand of broker license, entered August 17, 2001; making an arithmetic error in calculating the net proceeds of the sale of property which overstated the net proceeds by \$1,400, thereby acting negligently or incompetently in performing an act for which a person is required to hold a real estate license, in violation of §15(a)(6)(W) of The Real Estate License Act

McKinley, John David
 (Houston); license# 471022
 Revocation of salesperson license, effective August 17, 2001; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a) of the Rules of the Texas Real Estate Commission

Traylor, Bobby Joe
 (Austin); license# 439222
 Revocation of salesperson license, entered August 20, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules

Bradfield, Kristy K.
 (San Antonio); license# 310032
 Agreed reprimand of salesperson license, entered August 23, 2001; Agreed administrative penalty of \$200, entered August 23, 2001; failing to complete the mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Myers, Bruce Martin
 (Plano); license# 435232
 Revocation of salesperson license, effective August 24, 2001; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a) of the Rules of the Texas Real Estate Commission

Perez, Estela
 (San Antonio); license# 386926
 Agreed reprimand of broker licensed, entered September 7, 2001; failing to supervise a salesperson negotiating a commercial lease, in violation of §15(a)(6)(W) of The Real Estate License Act

Leger, Emer
 (Webster); license# 260952
 Agreed reprimand of broker license, entered September 12, 2001; Agreed administrative penalty of \$250, entered September 12, 2001; failing to make clear to all parties to a transaction, which party she was acting for, in violation of §15(a)(6)(D); failing to ensure that a party was furnished with the written statement as required by §15C(d); acting as an intermediary in a transaction without obtaining a party's written consent, in violation of §15C(h) of The Real Estate License Act

Coppock, Jennifer Sue
 (Houston); license# 393338
 Agreed reprimand of salesperson license, entered September 12, 2001; Agreed administrative penalty of \$200, entered September 12, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

McGrath, Michael Steven
 (Houston); license# 290350
 Agreed reprimand of salesperson license, entered September 19, 2001; Agreed administrative penalty of \$200, entered September 19, 2001; failing to complete the mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Flores, Olga G.
 (San Antonio); license# 373614
 Agreed reprimand of salesperson

negligently negotiating a commercial lease, in violation of §15(a)(6)(W); failing to deposit monies received from a tenant in a trust or escrow account, in violation of §15(a)(6)(E) of The Real Estate License Act

Ladjevardian, Mohammad (Houston); license# 302570

Agreed reprimand of broker license, entered September 20, 2001; Agreed administrative penalty of \$200, entered September 20, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92 (f) of the Rules of the Texas Real Estate Commission

Taylor, Betty Jo

(San Antonio); license# 240490

Agreed 6 month suspension of salesperson license fully probated for 1 year, effective September 24, 2001; engaging in property management activities without the knowledge or involvement of her sponsoring broker, in violation of §1 (b) of The Real Estate License Act; failing to properly identify a trust or escrow account, in violation of 22 TAC §535.159(h) of the Rules of the Texas Real Estate Commission; using a lease agreement not authorized by 22 TAC §537.11(d), failing to provide monthly accountings, failing to monitor banking accounts to determine payment not cleared, failing to include interest payable to the principal as required by §535.159(e), in violation of §15(a)(6)(W) of the Real Estate License Act; requiring a principal to execute a release before paying over funds owed the principal under the management agreement, in violation of 22 TAC §531.1(3) of the Rules of the Texas Real Estate Commission

Wilkerson, Kim Newby

(Grand Prairie); license# 255961

Agreed reprimand of broker license, entered September 28, 2001; Agreed administrative penalty of \$200, entered September 28, 2001 failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92 (f) of the Rules of the Texas Real Estate Commission

Garcia, Roger C.

(Laredo); license# 5383

Revocation of apprentice inspector license, effective September 28, 2001 performing an inspection as an apprentice inspector for a buyer of real property at a time when he was not under the direct supervision of a real estate inspector or professional inspector, in violation of §23(c)(3); submitting to a real estate licensee a forged document purporting to be a professional inspector license issued by the Commission to Roger C. Garcia, in violation of §23(l)(2) of The Real Estate License Act; failing on demand of the Commission to produce a document in his possession concerning a real estate inspection, in violation of 22 TAC §535.224(d)(2); failing within 10 days to provide information

course of investigation of a complaint, in violation of 22 TAC §535.224(d)(3) of the Rules of the Commission

Potter, Kay Castellaw

(Dallas); license# 333345

Agreed reprimand of broker license, entered October 3, 2001; Agreed administrative penalty of \$200, entered October 3, 2001; failing to complete mandatory continuing education hours and pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Carter, Guy Ramsay

(Euless); license# 414749

Agreed reprimand of salesperson license, entered October 5, 2001; Agreed administrative penalty of \$200, entered October 5, 2001; failing to pay the \$200 fee within the 60-day period provided by 22 TAC §535.92(f) of the Rules of the Texas Real Estate Commission

Hernandez, Jose R.

(San Antonio); license# 423866

Revocation of salesperson license, effective October 8, 2001; misappropriating a buyer's earnest money, in violation of §15(a)(6)(E); failing to refund earnest money after contract termination when acting as a principal in a real estate transaction, in violation of §15(a)(3); failing or refusing on demand to produce documents for inspection by the Commission's investigator, in violation of §15(a)(7); failing or refusing on demand to provide information requested by the Commission's investigator, in violation of §15(a)(8) of The Real Estate License Act

Williams, Darryl Andrea

(Houston); license# 393306

Revocation of salesperson license, effective October 8, 2001; failing to provide information to the Commission in response to Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a) of the Rules of the Texas Real Estate Commission

Martin, Emily A.

(Temple); license# 211288

Revocation of salesperson license, effective October 8, 2001; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a)

Jasper, Susan Elam

(Tyler); license# 272449

Revocation of salesperson license, effective October 8, 2001; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a) of the Rules of the Texas Real Estate Commission

Phelps, Linda Fitch

(San Antonio); license# 314456

Revocation of salesperson license, effective October 8, 2001; failing to provide information to the Commission in response to the Commission's request for same in connection with an application for renewal of real estate salesperson license, in violation of 22 TAC §535.91(a) of the Rules of the Texas Real Estate Commission

Mahan, Michael Lewis

(Laredo); license# 5149

Suspension of professional inspector license, effective October 15, 2001; non-payment of child support

Womack, Gerald Wayne

(Houston); license# 199047

Agreed revocation of salesperson license fully probated for 2 years, effective October 16, 2001; payment of \$14,920.00 made by the Texas Real Estate Commission from the Real Estate Recovery Fund toward satisfaction of a judgment against Gerald Wayne Womack, in violation of §8(i) of The Real Estate License Act

Anderson, Patricia Ann

(Bay City); license# 209829

Agreed reprimand of broker license, entered October 18, 2001; Agreed administrative penalty of \$500, entered October 18, 2001; failing to furnish to a party in a real estate transaction the written statement required by §15C(d); advising buyers of real property under a contract for deed that no written agreement was necessary to memorialize an oral agreement with the seller concerning dividing the proceeds of the sale of the property to a third party, thereby acting negligently or incompetently in performing an act for which a real estate license is required, in violation of §15(a)(6)(W); conducting business as a real estate broker through a corporation which was not licensed as a real estate broker, in violation of §15(a)(6)(S) of The Real Estate License Act

Anderson, Hebert Allen

(Dayton); license# 4892

Agreed reprimand of professional inspector license, entered October 19, 2001; failing to observe, inspect, and report as in need of repair the use of PVC for gas branch line to the furnace of a gas heating unit, in violation of 22 TAC §§535.229(t)(6) and 535.229(t)(7) of the Rules of the Texas Real Estate Commission

Morris, Troy W.

(DeLeon); license# 459297

Agreed reprimand of salesperson license, entered October 31, 2001; acting negligently and incompetently in placing an advertisement that was unclear, failing to follow up with seller regarding the return of the offer, failing to ensure that the contract contained a correct effective date and failing to propose a written extension to the contract to parties, in violation of §15(a)(6)(W); failing to furnish the written statement regarding agency relationships to a party to a real estate transaction, in



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New Forms Effective February 1, 2001

(Continued from page 1)

The option clause has been moved to a new paragraph at the end of the contract and will be applicable only if all blanks in the paragraph have been filled in and the option fee has been paid to the seller. A receipt for the option fee has been added for the seller to sign. Office addresses and facsimile numbers have been added for listing and selling associates.

TREC NO. 26-4 (Seller Financing Addendum) This addendum has been revised to include documentation of buyer's creditworthiness for seller financing. The form is now printed on two pages to make it easier to read.

TREC NO. 30-3 [Residential Condominium Contract (Resale) All Cash, Assumption, Third Party Conventional or Seller Financing] This contract form for residential condominium resales will combine and replace prior forms TREC No. 30-2 and TREC No. 31-2. The modifications to this form are primarily the same as those made to the one-to-four family resale form. Survey provisions have been deleted as uncommon in condominium transactions.

TREC NO. 34-1 (Addendum for Property Located Seaward of the Gulf Intracoastal Waterway) This form has been updated to comply with a change in Section 61.025 of the Texas Natural Resources Code. Language was added to the notice to caution the buyer to determine the rate of shoreline erosion for property located seaward of the Gulf Intracoastal Waterway.

TREC NO. 38-1 (Notice of Termination) The only change in this notice was to eliminate a reference to termination under a specific paragraph number, because the option clause may be in different paragraphs in several TREC forms.

TREC NO. 39-3 (Amendment) The form has been modified to clarify that any repairs or treatments specified to be completed by the seller are in addition to those required by the contract. Also, language was added to show that the amount of buyer's expenses that the seller is agreeing to pay in the amendment replaces the amount specified in the contract.

NEW FORMS

TREC NO. 40-0 (Third Party Financing Condition Addendum) This new addendum will be used to make the contract contingent upon the buyer obtaining approval for conventional, FHA/VA or Texas Veterans' Housing Assistance Program financing, using provisions previously found in the main contract. A maximum amount for loan fees (as defined in the main contract) is provided for the conventional, FHA and VA financing.

TREC NO. 41-0 (Loan Assumption Addendum) This new addendum contains provisions for assumption of loan, which no longer appear in the revised one-to-four family or condominium resale contract forms.

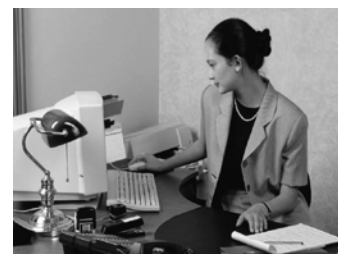
Got A Question About A Relocation Company?

Through a link maintained on the TREC web site, licensees may directly access The Real Estate Coalition for Cooperative Business Practices (the Coalition) of the Employee Relocation Council. By clicking on "The Interchange" on the Coalition's website at

<http://coalition.erc.org>

Licensees may raise concerns about their dealings with a relocation company and send a message to the appropriate company for response.

Check us out!



www.trec.state.tx.us

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